

## Message Text

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ORIGIN EUR-12

INFO OCT-01 ISO-00 AF-06 OPIC-03 SAM-01 SP-02 AID-05 EB-07

NSC-05 CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01

CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02

LAB-04 SIL-01 L-03 H-02 PA-01 PRS-01 ARA-06 /100 R

DRAFTED BY EUR/WE:EJBEIGEL:VE

APPROVED BY EUR/WE:REBARBOUR

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P 261811Z AUG 75

FM SECSTATE WASHDC

TO AMEMBASSY LISBON PRIORITY

C O N F I D E N T I A L STATE 202759

E.O. 11652: GDS

TAGS: EIND, PO

SUBJECT: ITT PROBLEMS IN PORTUGAL

REFS: LISBON 4848 AND 4867

1. ITT LOCAL COUNSEL HAS PROVIDED DEPARTMENT WITH COPY OF VALENTE LETTER OF AUGUST 25 TO CARLUCCI WITH ENCLOSED MEMORANDUM MAILED FROM BOTH BRUSSELS AND LISBON TO FOUR GOP MINISTERS REGARDING ITT DECISION AGAINST PUTTING FURTHER EXTERNAL FUNDS INTO OPERATIONS OF ITS ENTERPRISES IN PORTUGAL UNTIL SUCH TIME AS IT RECOVERS MANAGEMENT CONTROL AND CAN FUNCTION MORE NORMALLY. ITT INTENT IS TO CONTINUE WITH THESE ENTERPRISES AND NOT ABANDON THEM BUT IN LIGHT OF SIMILAR BUT NOT IDENTICAL SITUATION IN WHICH COMPANY IS SUFFERING SERIOUS CONTINUING LOSSES IN ARGENTINA, THE NEW YORK OFFICE DECIDED IT CAN ONLY OPERATE EFFECTIVELY IN PORTUGAL IF IT CAN MANAGE, HAVE ACCESS TO LOCAL BANK CREDIT, ETC.

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2. DEPARTMENT OFFICERS TOOK NOTE OF ITT DECISION. THEY SUGGESTED THAT IF NEW MODERATE GOVERNMENT IS APPOINTED, ESPECIALLY WITH VICTOR CRESPO AS VICE PREMIER IN CHARGE OF ECONOMIC AFFAIRS AS REUTERS TICKER HAD SUGGESTED,COMPANY SHOULD COMMUNICATE IMMEDIATELY WITH HIM EMPHASIZING ITS DESIRE TO RESUME NORMAL OPERATIONS. ITT REPRESENTATIVE INDICATED HEAD OFFICE WAS COMPELLED TO MOVE RAPIDLY AND PRIOR CONSULTATION WITH AMBASSADOR CARLUCCI WAS NOT POSSIBLE. INGERSOLL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INVESTMENT CLIMATE, BUSINESS LOSSES, BUSINESS FIRMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 AUG 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** johnsorg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE202759  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** EJBELGEL:VE  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750295-0454  
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**Image Path:**  
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**Office:** ORIGIN EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 LISBON 4848, 75 LISBON 4867  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** johnsorg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 24 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <24 APR 2003 by ShawDG>; APPROVED <24 DEC 2003 by johnsorg>  
**Review Markings:**

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EO Systematic Review  
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**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ITT PROBLEMS IN PORTUGAL  
**TAGS:** EIND, EINV, PO, US  
**To:** LISBON  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006